

## Message Text

CONFIDENTIAL

PAGE 01 LONDON 14672 01 OF 02 161725Z

43

ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00 INRE-00

CIAE-00 PM-04 INR-07 L-03 ACDA-07 NSAE-00 PA-01 SS-15

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 5563

SECDEF IMMEDIATE

INFO USMISSION NATO BRUSSELS

USNMR SHAPE

CINCUSAFAE

USCINCEUR

CINCUSAFAE

CONFIDENTIAL SECTION 01 OF 02 LONDON 14672

SECDEF FOR ODDR AND E/IP, TWP AND OASD/ISA

SECSTATE FOR EUR/RPM

CINCUSAFAE FOR ATF AND RDPW

E.O. 11652: XGDS-1

TAGS: NATO, OCON, MILI, AWACS

SUBJ: UK POSITION ON NATO AEW

REF: (A) USNATO 4851; (B) USNATO 4964

1. SUMMARY: A POSSIBLE SHIFT IN UK ATTITUDE TOWARD AEW  
MAY BE EMERGING WHICH REINFORCES ACCEPTABILITY OF NIMROD  
AS UK'S AEW SOLUTION. KEY FACTOR FOR AWACS IS IMPORTANCE  
OF A NATO DECISION ENDORSING AWACS AT DECEMBER DPC  
MINISTERIAL. END SUMMARY.

2. WITH REFTELS A AND B AS BACKGROUND AND WITHOUT DIS-  
CLOSING CONTENT, EMBOFF HAS SOUNDED OUT NUMBER OF SENIOR  
MOD OFFICIALS CONCERNING CURRENT UK ATTITUDE ON NATO AEW.  
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PAGE 02 LONDON 14672 01 OF 02 161725Z

THE FOLLOWING POINTS EMERGE AS RELEVANT DISILLATE:

(A) FUNDING: THE POSSIBILITY OF A CUT FROM EARLIER ESTIMATES "EXISTS" BUT THE MATTER IS STILL OPEN. THE AEW REQUIREMENT REMAINS "HIGH ON THE UK'S PRIORITY LIST", BUT THE EXACT AVAILABILITY OF FUNDING HAS NOT COME OUT OF "THE WASH OF THE NORMAL ESTIMATES BUSINESS". IT WAS HINTED THAT A MODEST CUT FROM PREVIOUS ESTIMATES IS POSSIBLE;

(B) NIMROD: MOD IS RECOMMENDING "QUITE RELUCTANTLY" TO MULLEY THAT DUAL FUNDING OF NIMROD AND AWACS BE CONTINUED UP TO THE END OF DECEMBER. THE ACTUAL DECISION TO DO SO HAS YET TO BE TAKEN;

(C) THERE IS A POSSIBILITY OF "A HIATUS" IN AEW DECISION MAKING WITH THE APPOINTMENT OF MULLEY ALTHOUGH OFFICIALS FEEL MULLEY WILL ALMOST CERTAINLY FOLLOW THE MASON LINE ON AEW. THAT IS, THE UK BELIEVES IN THE REQUIREMENT AND CONSIDERS IT IMPORTANT THAT A "NATO DECISION" NLT DECEMBER BE MADE AT THE DPC MINISTERIAL MEETING. IF THAT DECISION "ENDORSES NATO AEW CENTERED ON AWACS", UK WILL SCUTTLE NIMROD. OFFICIALS EMPHASIZE IT IS HIGHLY UNLIKELY THAT UK CAN AFFORD TO WAIT LONG AFTER DPC MINISTERIAL MEETING BEFORE OPTING FOR NIMROD;

(D) THERE IS EVIDENCE OF GROWING SUPPORT FOR FRG POSITION THAT AWACS MUST BE A TRULY NATO SYSTEM AND NOT ONE IN WHICH ONLY 2 OR 3 ALLIES PARTICIPATE. AT SAME TIME BRITISH EXPRESS REAL DOUBT THAT FRG WILL REACH A DECISION SOON ENOUGH (I.E., BEFORE 1ST JANUARY 1977);

(E) CONCERNING TIMING OF INTERNAL UK MOD STAFF WORK ON OPTIONS AND THEIR IMPLICATIONS, IT APPEARS WORK WILL BE COMPLETED AND READY BY MULLEY/SECDEF OCTOBER MEETING.

3. ON A NUMBER OF OCCASIONS RECENTLY OFFICIALS HAVE MADE PLAIN TO EMBOFF THAT MOD DOES NOT CONSIDER NIMROD A "HIGH RISK OPTION". WE ARE TOLD THAT THE NIMROD PROGRAM HAS BEEN GIVEN A VERY EXTENSIVE "SCRUBBING" AND THAT SINCE JUNE UK MOD CONFIDENCE IN NIMROD HAS GROWN "SIGNIFICANTLY". THERE ARE GENUINE GROUNDS NOW FOR "REAL CONFIDENCE" THAT NIMROD WILL ADEQUATELY FULFILL UK, REPEAT CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LONDON 14672 01 OF 02 161725Z

UK, AEW REQUIREMENTS, PARTICULARLY THE MARITIME REQUIREMENT. OFFICIALS ARE EMPHASIZING THAT:(L) NIMROD IS NOT, REPEAT NOT, A "PAPER PROJECT" DESIGNED TO EXTRACT BARGAINING LEVERAGE VIS-A-VIS AWACS; (2) THE RAF, REPEAT RAF, NOW CONSIDERS NIMROD AN ACCEPTABLE ALTERNATIVE TO AWACS (THIS SHIFT UNDOUBTEDLY FLOWS IN PART FROM THE UPDATING OF PRESENT GROUND RADAR SYSTEMS IN CONJUNCTION WITH PROPOSED NIMROD DEPLOYMENTS); AND (3) FOR THE MARITIME

REQUIREMENT THE MOD FEELS NIMROD WILL PERFORM "AS WELL AS IF NOT BETTER -- AND AT CONSIDERABLY LESS COST -- THAN AWACS".

4. COMMENT: THE UNUSUALLY HEAVY DOSE OF NIMROD AS A

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PAGE 01 LONDON 14672 02 OF 02 161727Z

43

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C O N F I D E N T I A L SECTION 02 OF 02 LONDON 14672

VIABLE ALTERNATIVE TO AWACS IS DISTURBING. LIKEWISE THE ASSERTION MADE TO US THAT THE RAF IS NOW SATISFIED NIMROD WILL FULLY SATISFY UK AEW REQUIREMENTS -- GIVEN THE FACT THAT IN THE PAST THE POTENTIAL OPERATIONAL USER HAS EXPRESSED STRONG PRO-AWACS PREFERENCES, IS A NEW AND PARTICULARLY UNSETTLING FACTOR. IT IS APPARENT THAT THIS "SHIFT IN THE WIND" REFLECTS ALSO SUBSTANTIAL PRESSURE FROM UK INDUSTRIAL/NIMROD LOBBY AS WELL AS REFLECTING, IN PART, SOME SKEPTICISM THAT POLITICALLY THE ALLIANCE WILL BE ABLE TO AGREE ON NATO AEW.

5. ON THE MATTER OF FUNDING, OUR JUDGEMENT IS THAT AT PRESENT THE UK'S PLANNED EXPENDITURE FOR AEW IN STERLING HAS NOT CHANGED. HOWEVER, IN US DOLLAR TERMS THE ORIGINAL POUNDS 250 MILLION PROGRAM ESTIMATE HAS DECREASED AND THIS DECREASE LOOKS VERY MUCH LIKE THE DROP FROM DOLLARS 550 MILLION TO DOLLARS 425 MILLION (REFTEL B, PARA 4) -- REFLECTING THE POUND'S DROP FROM ABOUT DOLLARS 2.30 TO

CONFIDENTIAL

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PAGE 02 LONDON 14672 02 OF 02 161727Z

ABOUT DOLLARS 1.74. WE MUST EMPHASIZE THAT HERETOFORE THE AEW REQUIREMENT HAS BEEN FORTUNATE IN BEING ALMOST SACROSANCT; NOW, LIKE ALL OTHER ELEMENTS IN UK DEFENSE BUDGET, IT HAS BECOME A CANDIDATE FOR POSSIBLE REDUCTION. AEW IS PRESENTLY CONSIDERED PART OF "THE TAIL" AND NOT "THE TEETH" BECAUSE THE FUNDS FOR AEW HAVE NOT BEEN OBLIGATED. PARADOXICALLY, HAD THE BULK OF AEW FUNDS BEEN OBLIGATED, THEY WOULD HAVE BECOME "PART OF THE TEETH".

6. WHILE MULLEY IS, AS ONE SENIOR OFFICIAL PUT IT, "STILL A BIT GREEN AND WET", WE RECOMMEND THAT IN OCTOBER MEETING WITH SECDEF US STRESS HEAVILY THE POLITICAL FACTORS AND RAMIFICATIONS OF NATO AEW AND THE SERIOUS REPERCUSSIONS A FAILURE TO AGREE ON NATO AEW AT THE DPC MINISTERIAL WILL HAVE ON THE WHOLE TEXTURE OF MULTINATIONAL COLLABORATION AND ON RATIONALIZATION/STANDARDIZATION. ALTHOUGH MULLEY MAY STILL BE A "NEW BOY" HE COMES TO MOD NOT WITHOUT CONSIDERABLE PAST DEFENSE EXPERIENCE, AND FORTUNATELY FOR THE US, HE IS EXTREMELY WELL DISPOSED TOWARD US. MULLEY HAS MANY AMERICAN FRIENDS AND PRIDES HIMSELF ON HAVING A GOOD AND REALISTIC UNDERSTANDING OF WHAT MAKES THE US TICK. HE HAS A FIRST CLASS MIND AND AN ABILITY TO GRASP THE FUNDAMENTAL ESSENTIALS OF A PROBLEM. FRANKNESS APPEALS TO HIM BUT HIS OWN SOMEWHAT RETIRING DISPOSITION PROBABLY CONCEALS A RESENTMENT OF ANYTHING WHICH SMACKS OF "PUSHING AROUND". WE BELIEVE MULLEY FULLY UNDERSTANDS AND APPRECIATES THE MODALITIES OF BARGAINING AND THE THRUSTS OF GIVE AND TAKE. MULLEY HAS A REPUTATION IN THE LABOR PARTY FOR BEING A VERY SKILLFUL MOVER "BEHIND THE SCENES".

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